STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

July 28, 2006

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

PSF No: 00MD-443(B)

MAUI

Rescind Prior Board Action of December 13, 2002 (Item D-19), Related to the Direct Issuance of Non-Exclusive Easement B to Lani Stark for Access and Utility Purposes, Honopou, Makawao, Maui, TMK (2) 2-9-003:020 por.

BACKGROUND:

On December 13, 2002, the Board of Land and Natural Resources (BLNR) approved the issuance of two 55-year term, non-exclusive easements (Easement A and B) to Lani Stark for access and utility purposes (Exhibit A).

Easement A was to be issued gratis due to the kuleana status of the parcel identified as TMK (2) 2-9-003:012. The second easement, Easement B, was to be issued at fair market value. Both easements were to provide non-exclusive access to residential dwellings at two different locations on parcel 12.

The request for easements were made exempt from HRS chapter 343 requirements based on the understanding that the use of State lands were not to change from proposed residential uses on private property.

Easement A currently services a single family residential unit that is being rented out. A second dwelling has not been constructed. Easement B is not being used for residential purposes.

REMARKS:

Since the BLNR approval in 2002, Ms. Stark has engaged in activities on Easement B and adjacent State encumbered lands that are commercial in nature and that are subject to HRS Chapter 343 requirements.

Ms. Stark has been operating Kapila Ginger Garden that includes guided tours and ginger product sales. These activities were advertised and require a fee (see Exhibit B).

In February of 2006, activities at Kapila Ginger Garden began to generate complaints from residents of the Honopou area about traffic congestion caused by tourist visits and road construction. Residents complained of hazardous conditions created by a high volume of tourist traffic being directed off of Hana Highway and onto Ulalena Loop Road to view waterfalls. This area of Hana Highway has very poor site distances and high traffic speeds (Exhibit C).

On March 1, 2006, District Land Agent, Daniel Ornellas and DOCARE Officer Randy DeCambra, responded to the complaints. Upon arrival at the subject location, Mr. Ornellas and Officer DeCambra observed Ms. Stark and her contractor, Mr. Robert Williams, grubbing and grading portions of State land and Ulalena Loop Road to expand the size of the road to accommodate increased traffic flows being caused by her garden tours. Soil material was being cut from a hillside (State land) and then cast over into adjacent State and private property without proper erosion control measure to prevent adverse impacts (Exhibit D). An immediate phone call to Lance Nakamura of the Maui County Department of Public Works and Environmental Management confirmed that Ms. Stark had no authorization to alter Ulalena Loop Road.

In addition, Ms. Stark also graded encumbered State lands adjacent to her access Easement A, without proper authorization, to build a parking lot, to construct a pad to locate a port-a-potty and to erect signs for advertisement of her commercial activities (Exhibit E).

Furthermore, an unauthorized stream diversion and "unsafe" electrical lines traverse State lands outside of her easement area to service Ms. Stark's rental units, various shacks and outhouses. The electrical lines were determined to create an "unsafe condition" as documented in a letter dated, November 29, 2005, from the Maui County to our tenant Lafayette Young, RP S-5232 (Exhibit F).

Ms. Stark continues to ignore numerous verbal and written requests from the State, from our tenant Mr. Young, and from Mr. Dave Jorgensen, Esq., lawyer who represents adjacent private property owner, Ann Bauer, (TMK (2) 2-9-003:014), to cease and desist unauthorized uses and to remove any unauthorized improvements (Exhibit G).

It is in the best interest of the State to prevent disposition and use of State lands that result in adverse impacts to natural resources and the community in general. Any significant changes in the proposed uses of State lands are subject to HRS Chapter 343 requirements.

RECOMMENDATION: That the Board:

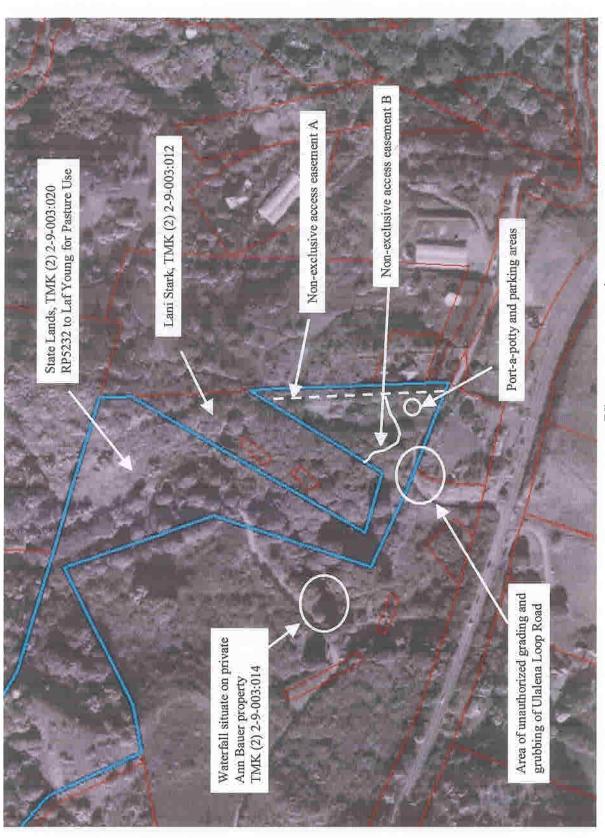
- 1. Rescind the prior Board action of December 13, 2002, under agenda item D-19, authorizing the issuance of a 55-year term, non-exclusive easement (Easement B) to Ms. Lani Stark for access and utility purposes.
- 2. Authorize the refund of \$515 payment by Ms. Lani Stark for proposed Easement B (\$460 fee for easement area, \$30 documentation fee, and \$25 mapping fee).

Respectfully Submitted,

Daniel Ornellas District Land Agent

APPROVED FOR SUBMITTAL:

Peter T. Young, Chairperson



Honopou, Makawao, Maui Orthographic Aerial Photo and TMK Overlay

STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

December 13, 2002

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

PSF No.:00MD-443

MAUI

Rescind Prior Board Actions of October 9, 1987 (under agenda item F-1-e and F-3); of January 12, 1996 (under agenda item F-18); of August 21, 1997 (under agenda item D-21); Direct Issuance of Perpetual, Non-Exclusive Easements to Lani Stark for Access and Utility Purposes; Mutual Cancellation of Grant of Easement Bearing Land Office Deed #S-27604 issued to Vijay Arthur Wenk; Makawao, Maui, Tax May Key: (2) 2-9-3:portion 20.

APPLICANT:

Lani Stark, unmarried, whose mailing address is 1860 Olinda Road, Makawao, Hawaii 96768.

LEGAL REFERENCE:

Section 171-13, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Honopou situated at Makawao, Maui, identified by Tax Map Key: (2) 2-9-3:portion of 20, as shown on the attached map labeled Exhibit A.

AREA:

5,883 square feet, more or less (Easement A) 4,577 square feet, more or less (Easement B)

ZONING:

State Land Use District: Agriculture County of Maui CZO: Agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State

APPROVEL BY THE BOARD OF LAND AND NATURAL RESOURCES AT ITS MEETING HELD ON Decenter 13, 2002. A

Item D-19

EXHIBIT A

Constitution:	YES	NΤΟ	4,5
CONSTITUTION:	エピン	ИО	X

CURRENT USE STATUS:

Encumbered by Revocable Permit No. S-5232, Lafayette Young, Permittee, for pasture purposes.

Encumbered by Revocable Permit No. S-6519, Nancy Chastang Kerbow and Seth Ashby, for right-of-way for access and utility purposes to serve Parcel 13.

CHARACTER OF USE:

Right, privilege and authority to construct, use, maintain and repair a right-of-way over, under and across State-owned land for access and utility purposes.

COMMENCEMENT DATE:

To be determined by the Chairperson.

CONSIDERATION:

Easement A = Gratis.

Easement B = One-time payment to be determined by independent or staff appraiser, subject to review and approval by the Chairperson.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 1 that states "use of existing roadways on State lands for land dispositions, including but not limited to easements, right of entries, revocable permits, leases, and licenses, if not expanded from its original size"; Item No. 2 that states "use of State lands that previously existed with no interruption of use change"; and Item No. 4 that states "repairs and/or maintenance of existing structures, facilities, equipment or topographical features that involves no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Cambridge Committee (

Place of business registration confirmed:	YES	ИО
Registered business name confirmed:	YES	МО
Applicant in good standing confirmed:	YES	МО
Not applicable, individual		



APPLICANT REQUIREMENTS:

Applicant shall be required to:

- Pay for an appraisal to determine one-time payment for Easement B and
- Provide survey maps and descriptions for Easement B according to State DAGS standards and at Applicant's own cost.

REMARKS:

Today Today

Staff is reviewing Maui's backlogged files. Staff has been working with Ms. Stark to finalize her easement document. Previous Land Board actions dating back to 1987 are a result of the grant of easement bearing LOD #27604 issued to Mr. Vijay Wenk on December 2, 1986. Mr. Wenk sold Parcel 12 on August 18, 1987 to Mr. Douglas Faulkner. The Land Board consented to the assignment of the grant of easement from Mr. Vijay Wenk to Mr. Douglas Faulkner on October 9, 1987. At the same meeting of October 9, 1987, the Land Board approved Mr. Faulkner's request for a second easement for Parcel 12. Mr. Faulkner was building a second dwelling and the steep terrain required the access come through the State property. Staff did not complete the assignment of the grant of easement or the second easement document.

Mr. Faulkner sold Parcel 12 on December 20, 1995 to Christopher and Lani Stark. On January 12, 1996 staff amended its previous Land Board approval for the second easement changing the name of the Applicant from Douglas Faulkner to Christopher and Lani Stark. During this period, staff realized it could not obtain the necessary documents from Mr. Faulkner to complete the assignment of the grant of easement from Mr. Wenk to Mr. Faulkner or issue the second easement to Mr. Faulkner. Therefore, staff recommended to the Land Board on August 21, 1997 to grant a perpetual easement to Christopher and Lani Stark for access and utility purposes. The Stark easement alignment would cover the area encumbered under the grant of easement issued to Mr. Wenk [Easement A] and the second easement requested by Mr. Faulkner [Easement B].

Due to a change in address staff has finally contacted Mr. Wenk. He has agreed to mutually cancel the easement because he no longer owns Parcel 12. Therefore, staff recommends mutually canceling the Grant of Easement bearing land office deed #S-27604.

Upon closer review of the Land Board approval of August 21, 1997, staff requested our Abstract Section to determine if Parcel 12 has kuleana status. Parcel 12 is an award of kuleana status. See Exhibit B. Apparently on August 12, 1983 when Mr. Wenk obtained Land Board approval for the issuance of the easement it was not determined if Parcel 12 had kuleana status. Consideration paid by Mr. Wenk to the State was \$210.

EXHIBIT A

Ms. Stark is requesting 2 easements. Easement A is over the existing grant of easement issued to Mr. Vijay Wenk. This is the access to the main dwelling on Parcel 12. Easement B is to provide access to a second dwelling on Parcel 12. Due to the steep terrain it can only be accessed from the State's Parcel 20. Staff is recommending Easement A should be for "no consideration" because it provides Parcel 12 with adequate legal access. Easement B enhances Parcel 12 so the property owner's second dwelling has legal access. Therefore it is appropriate that there should be a consideration for Easement B. Ms. Stark has submitted a \$1,000 check for the appraisal deposit on March 18, 2000.

Staff is recommending the name of the Applicant be Lani Stark only. Pursuant to Divorce Decree filed September 26, 1997 (FC-D N. 97-0418) all interests in Parcel 12 was turned over to Ms. Stark.

Furthermore, staff is recommending the Land Board action of August 21, 1997 be rescinded because some of the terms and conditions staff recommended such as assignment premium and sublease clause are not consistent with our existing easement document.

The tax map shows there are 2 poalimas (Parcel 46 and 47) within Parcel 12. They were sold to Lani Stark by Land Patent Grant No. 15953 on November 29, 2001.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

No agency or community comments were solicited for comments. A copy of the submittal was submitted to Ms. Stark. There are no pertinent issues or concerns.

RECOMMENDATION: That the Board:

- 1. Rescind Prior Board Actions of October 9, 1987 (under agenda item F-1-e and F-3); of January 12, 1996 (under agenda item F-18); and of August 21, 1997 (under agenda item D-21).
- 2. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of perpetual, non-exclusive easement to Lani Stark covering the subject area for access and utility purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current perpetual easement document form, as may be amended from time to time;
 - B. The perpetual easement shall inure to the benefit of the real property described as Tax Map Key: (2) 2-9-3:12;

EXHIBIT A

- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
- Mutual cancellation of grant of easement bearing Land Office Deed #S-27604 issued to Vijay Arthur Wenk under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current cancellation document form, as may be amended from time to time;
 - B. Review and approval by the Department of the Attorney General; and
 - C. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

Charlene E. Unoki

Acting Assistant Administrator

APPROVED FOR SUBMITTAL:

MW

GILBERT S. COLOMA-AGARÁN, Chairperson

Approved as amended. The Board amended the Recommendation Section by amending paragraph 2 to read as follows:

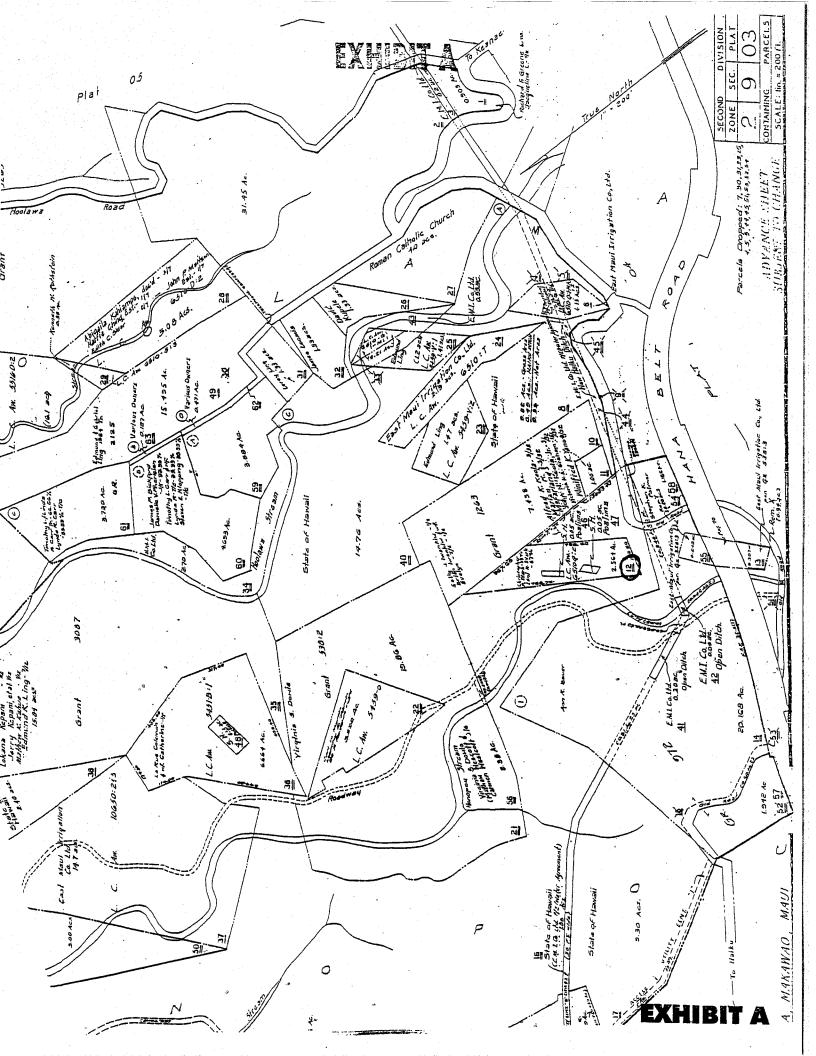
- "2. Subject to the Applicant fulfilling all of the Applicant requirements listed above, authorize the issuance of a perpetual, non-exclusive easement for Easement A and a 55-year term, non-exclusive easement for Easement B to Lani Stark covering the subject area for access and utility purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - A. The standard terms and conditions of the most current [perpetual] easement document form, as may be amended from time to time;
 - B. The [perpetual] easement shall inure to the benefit of the real property described as Tax Map Key: (2) 2-9-3: 12;

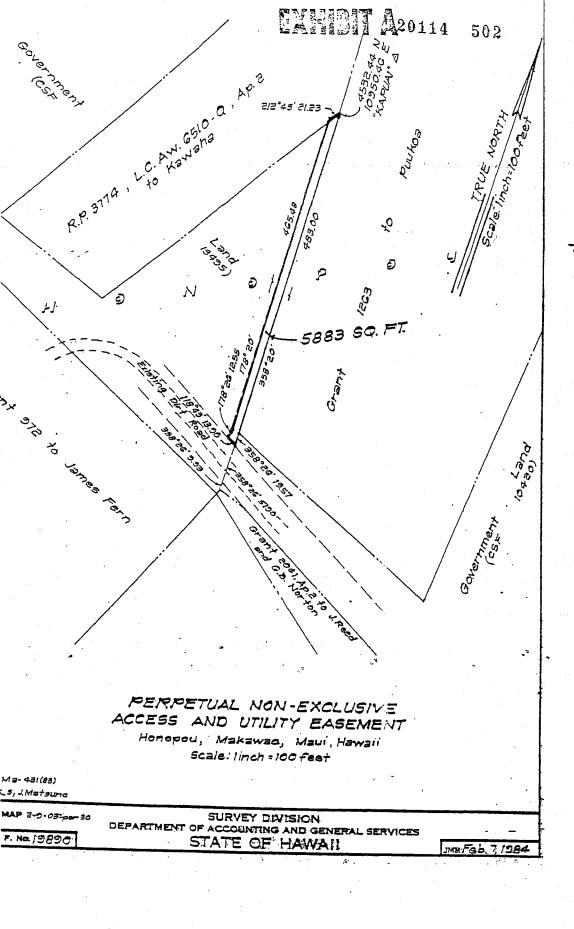
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ITEM D-19 (Cont'd)

- C. Review and approval by the Department of the Attorney General; and
- D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State."

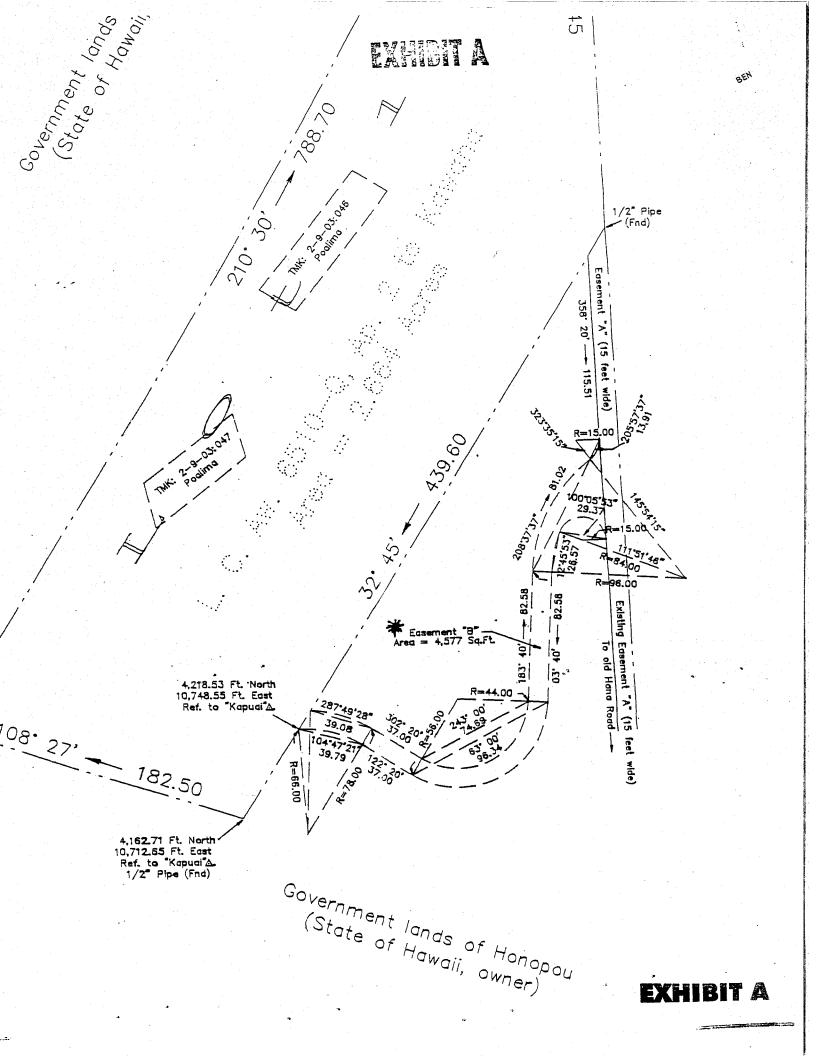




* Easement A



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ENJAMIN J. CAYETANO GOVERNOR



STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

LAND DIVISION

P.O. Box 621 HONOLULU, HAWAII 96809 GILBERT S. COLOMA-AGARAN CHAIRPERSON BOARD OF LAND AND NATURAL RESOURCES

ERIC T. HIRANO DEPUTY DIRECTOR

LINNEL T. NISHIOKA DEPUTY DIRECTOR FOR THE COMMISSION ON WATER RESOURCE MANAGEMENT

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND RESOURCES
ENFORCEMENT
CONVEYANCES
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE
COMMISSION
LAND
STATE PARKS

October 22, 2002

9978(M)

MEMORANDUM

TO:

Charlene Unoki, Assistant Administrator

THROUGH: Dierdre S. Mamiya, Administrator

FROM:

E. Mahoe Collins abstractor

Subject:

Kuleana Status of designated tax map key parcel (2) 2-9-03: 12 situate at

Makawao, Maui.

We have been asked to determine the kuleana status of the original source of title to tax key parcel (2) 2-9-03: 12, identified as Land Commission Award 6510 – Q: Apana II to Kawaha.

Records in our office reveal that the name of the awardee, Kawaha, does not appear in the Mahele Book of 1848 indicating that, said Kawaha did not participate in the 1848 Land Division with the king.

As recorded by the Commissioners in Volume 8 of the Registry of Foreign Testimonies at page 136, the said Kawaha received his lands at the time of Kamehameha I in 1847.

We find that the subject land claim of Kawaha, as adjudicated by the Land Commissioners under Land Commission Award 6510 – Q: Apana II, dated January 11, 1853, is an award of kuleana status.

State of Hawaii DEPARTMENT OF LAND AND NATURAL RESOURCES

Land Division Land Management Branch Honolulu, Hawaii 96813

August 21, 1997

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

MAUI

REQUEST FOR A DIRECT ISSUANCE OF PERPETUAL, NON-EXCLUSIVE EASEMENTS TO CHRISTOPHER AND LANI STARK FOR ACCESS AND UTILITY PURPOSES,

AND AN IMMEDIATE RIGHT OF ENTRY FOR SITE CONTROL PURPOSES OVER, UNDER, ACROSS AND ON GOVERNMENT LAND, IDENTIFIED BY TAX MAP KEY: 2-9-03: PORTION 20,

SITUATE AT HONOPOU-HOOLAWA, HAMAKUALOA, MAKAWAO, MAUI

STATUTE:

Section 171-13 and other applicable sections, Hawaii Revised Statutes, as

amended.

APPLICANT:

CHRISTOPHER AND LANI STARK

FOR:

Perpetual, non-exclusive easements for access and utility purposes and an immediate right of entry, over, under, across and on Government land, identified by Tax Map Key: 2-9-03: Portion 20, situate at Honopou-Hoolawa, Hamakualoa, Makawao, Maui, as shown outlined in bold on the map labeled Land Board Exhibit "A" and easement areas on the map labeled Land Board

Exhibit "B", appended to the basic file.

LAND TITLE STATUS:

Subsection 5 (b) lands.

STATUS:

The subject land is currently under Revocable Permit No. S-5232 to Mr.

Lafayette Young for pasture purposes.

ZONING:

State Land Use Commission District Boundary

Classification: Agricultural District

Maui County Zoning: Agriculture

AREA:

Approximately 5,883 square feet for Easement A. Approximately 4,577 square feet for Easement B.

PURPOSE:

- Right, privilege and authority to access, construct, use and maintain a 1. roadway over, under, across and on State owned land.
- Right, privilege and authority to construct, use and maintain utility 2. lines over, under, across and on State owned land.
- An immediate right of entry for site control purposes on State owned 3.

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ITEM D-21

Christopher & Lani Stark - Access and Utility Easements Page 2

METHOD OF

PAYMENT:

Lump sum (up front).

CONSIDERATION:

To be determined by an independent appraisal, same subject to approval by the Board Chairperson.

OTHER TERMS AND CONDITIONS:

Authorize the Board Chairperson to impose additional terms and conditions which may best serve the interest of the State.

CHAPTER 343 -ENVIRONMENTAL ASSESSMENT -

The proposed easement areas will be located over existing roadways. Therefore, the proposed use does not involve any intensification of its existing use. Accordingly, pursuant to Section 11-200-8 (1), Exempt Classes of Action of the Environmental Impact Statement Rules, it is recommended that the Board classify this use as exempt from the preparation of an environmental assessment and acquisition of a negative declaration.

REMARKS:

The subject request has resulted from a very unique situation. A Grant of Easement, dated December 2, 1986, was issued to Mr. Vijay Arthur Wenk for the above described Easement A (Land Office Deed No. S-27,604). Mr. Wenk sold his property and assigned the subject easement to Mr. Douglas Faulkner. The easement assignment was approved by the Board on October 9, 1987, under Agenda Item F-1-e. Completion of the assignment documents ran across some difficulty due to Mr. Faulkner's being committed to a mental institution periodically. During this period, the property was sold to the Starks. But due to Mr. Faulkner's situation, the assignment documents were never completed and on January 12, 1996, under Agenda Item F-18, the Board approved an amendment from their previous action to change the assignee from Faulkner to the Starks. To further complicate matters, this office was notified later that Mr. Wenk passed away during this period.

Completing the assignment documents, if at all, would be cumbersome and timely. Since there is a need for the Starks to expedite this easement acquisition and also their request for an additional easement, it was decided that the simplest solution would be to sell a new easement to them.

Easement A will be used to access the main dwelling on property identified by Tax Map Key: 2-9-03: 12. The reason for the acquisition of Easement B is that the applicants plan to construct a second dwelling on the same parcel but due to its steep terrain, can only be accessed from the State parcel.

RECOMMENDATION:

THAT THE BOARD:

- A. Rescind their following previous actions:
 - 1. The January 12, 1996 Agenda Item F-18 approval for the assignment of the subject easement to Christopher and Lani Stark;



- 2. The October 9, 1987, Agenda Item F-1-e approval for the assignment of the subject easement to Douglas Faulkner; and
- 3. The issuance of Land Office Deed No. S-27,604 to Mr. Vijay Arthur Wenk.
- B. Authorize the direct issuance of perpetual, non-exclusive easements to CHRISTOPHER and LANI STARK for access and utility purposes, covering the above described area under the preceding terms and conditions which are by this reference incorporated herein, and the following additional terms and conditions:
 - 1. This Land Board authorization to purchase a perpetual, non-exclusive easement from the State shall <u>not</u> be assignable unless the <u>Grant of Non-Exclusive Easement</u> is issued and recorded at the Bureau of Conveyances, or unless the access roadway is constructed and completed in accordance with County of Maui standards.
 - 2. Prior to the issuance of the Grant of Easement document, the applicant shall be responsible to obtain subdivision approval for the subject easement areas from the County of Maui and providing same to the Maui District Land Office.
 - 3. Standard abandonment clause.
 - Standard indemnity and hold harmless clause.
 - 5. Standard relocation clause.
 - 6. Standard assignment premium clause.
 - 7. Standard sublease clause with the standard sublease premium clause.
 - 8. Said easement shall not be used at any time by the Grantees, their guests or invitees for parking, storage, dumping of trash, and/or other purposes.
 - 9. The Grantees shall be allowed six (6) months from the date of this Board approval to provide the Maui District Land Office with the necessary documentation and appraisal deposit required to complete the subject sale. Failure to do so by the Grantees will automatically terminate this Board authorization.

10. Prior to the termination of the subject easement or the assignment of easement, grantee shall conduct a Level One (1) Hazardous Waste Evaluation and conduct a complete abatement and disposal, if necessary, satisfactory to the standards required by the Federal Environmental Protection Agency and the Department of Land and Natural Resources. Neither the termination nor assignment will be approved by the Board of Land and Natural Resources unless this evaluation and abatement provision is completely executed.

- 11. Easement documents shall be reviewed and approved by the Attorney General's Office.
- 12. Other terms and conditions as may be prescribed by the Chairperson.
- 13. The Grant of Easement shall have the approval of the Governor of the State of Hawaii and the State Legislature.

Approve the site control right of entry subject to the following terms and conditions:

- 1. Commencement date of the subject right of entry shall be August 22, 1997.
- 2. The applicants shall indemnify and hold harmless the State of Hawaii, its officers, employees, and agents harmless against all claims for personal injury, death, or property damage caused by or in any way connected with the permission granted herein.
- 3. The applicants shall obtain a liability insurance policy with the State of Hawaii named as an additional insured with the following minimum limits established on said policy:

Bodily Injury \$500,000.00 Property Damage . . . 100,000.00 Medical Coverage . . 5,000.00

- 4. The applicants shall be responsible for cleaning and/or restoring the areas to its original condition or to a condition satisfactory to the Department of Land and Natural Resources upon completion of construction.
- 5. The applicants shall comply with all applicable rules, regulations, ordinances and statutes of the Federal, State and County governments relative to the use of the subject areas, including those relating to public health and safety.

C.

6. The Department of Land and Natural Resources and its Chairperson reserves the right to impose additional terms and conditions if it is deemed necessary.

Respectfully submitted

PHILIP OHT

Maui District Land Agen

APPROVED FOR SUBMITTAL:

MICHAEL D. WILSON, Chairperson

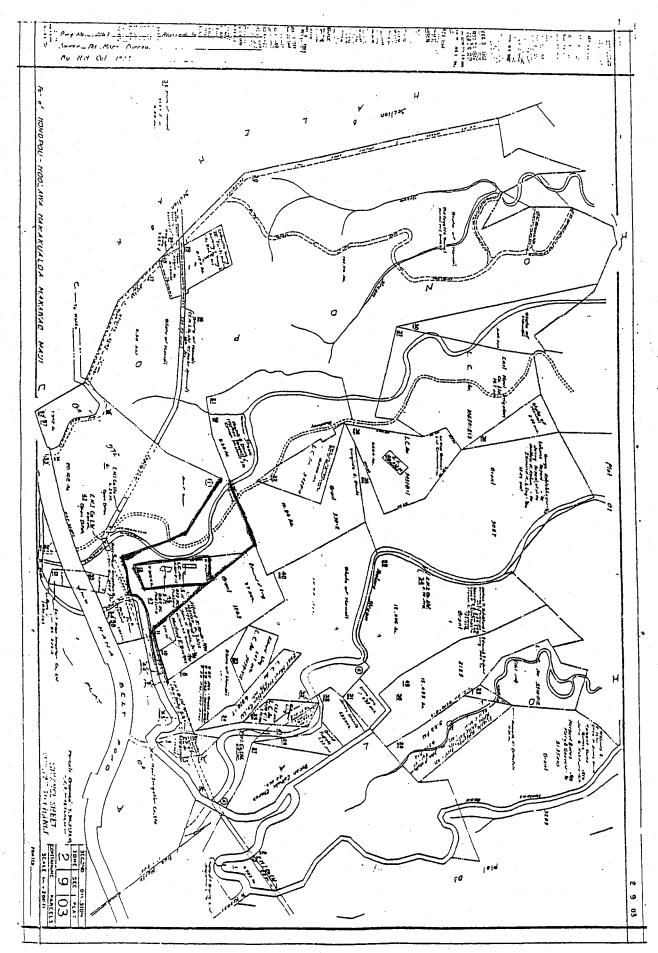


EXHIBIT A

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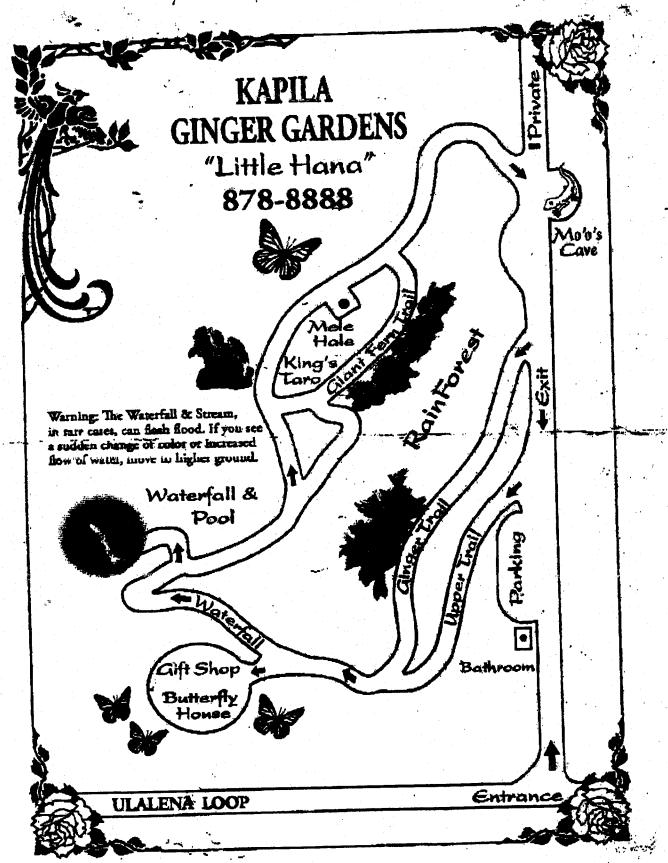
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FRONTSIDE



714-569-606

This is the absolute bert nature & agricultural tour in Hawaii and we've been on them all!"

An Mess / Sonoma C.A.

"If I should have but a penny be that penny be spent on Ginger Bread!"

"There is no modern drug that can rival the bealing power of Ginger" - Paul Shulick

For thousands of years, Ginger has been treasured for it many benefits and healing properties. Ginger brings a feeling of well-being, comfort, renewal and rejuvenation.

For this reason our Ginger Gardens is sometimes called "The Garden of Youth,"

I waken Your Inner Song of Harmony with the Magic of Ginger!

Visit our lovely outdoor Ginger Çarden Cift Shop where the finest aromatic & gourmer ginger products await you. Take the gift of Maui Ginger with you...

Out of the 20,000 exotic varieties of ginger, Espila Ginger Gardens features the best frant, edible and medicinal varieties in our garden and products. Here at the gardens many aromatic and medicinal gingers grow year round.

CINCER—IHE EMPEROR OF THE HERB WORLD

MAUI'S ULTIMATE WATERFALL WONDERLAND! MAUI'S PREMIER WATERFALL / RAINFOREST ADVENTURE! KAPILA GINGER GARDEN'S "Little Hana" *

HIGHLIGHTS: CASCADING WATERFALL, THE KING'S SACRED POOL,
RAINFOREST, THE WORLD'S LARGEST PREHISTORIC FERNS,
THE KING'S TRAILS AND ANCIENT TARO WALLS, MO'O'S LAVA CAVE,
AND A MONARCH BUTTERFLY PAVILION

Our Nature Wellness Walking Hike can be self-guided or join in with one of the guided tours at 11:00am Daily. On our guided tour you'll learn why Ginger has been revered by so many cultures around the world for it's timeless fragrance, spice and medicinal properties. You will also learn about the Hawaiian sustainable approach to nature, their medicinal plants, histories & legends.

For more Information, call: 878-8888

www.kapilagingergardens.com

em: kapilagingergardens@littlebana.com

"Kapila Ginger Gardens is also nick-named "Little Flana" as it's lush tropical ambiguce is similar to that of Masu's famed Hana District. I hat's why we say it is "A Taste Of Flava without the Drive."

EXHIBIT B

coconut wireless ... news flushes

NEW WATERFALL WELLNESS WALK BY MAU! ECO-ADVENTURES

A new, easier hike option for your guests is the Waterfall Wellness Walk presented by Maui Eco-Adventures—the short drive from Kahului to this tropical paradise will take you

along the famous north shore of Maui through historic Pale Town, past the world famous surfing and wind surfing mecca of Ho'okipa, towards the final destination on the road to Hana.

Upon arrival, naturalist guides will take you on a gentle hike through an exclusive

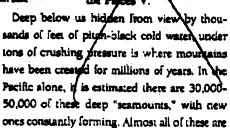
private estate complete with a beautiful running waterfall with a large natural swimming pool, ginger gardens, royal kalo lo'l (taro terraces), and a lush exotic botanical rainforest. The tour includes an orientation on edible, medicinal and ornamental ginger as well as other native Howaiian piants.

After learning about the cultural and environmental significance of this special place in history and nature, everyone can take a refreshing swim in the large waterfall pool—towels provided by the guide. After the dip, the group will stop by the Ginger Garden Gift Shop to learn more about the invigorating and rejuvenating effects of the ginger plant. Guests may even get the opportunity to go into the Batterfly Pavilion to experience the beauty of the Monarch butterfly, weather permitting.

The Waterfall Wellness Walk is offered daily by Maul Eco-Adventures from 8am to 12noon with a minimum of four guests, 12 passengers maximum per van. The cost is \$90 per person (Introductory price of \$65 through 3/15/06)—hiking boots or sneakers recommended, and bring a swimsuh. Tour also includes: South and West Maul hotel pick-ups, a continental breakfast, water and cookles. For trip reservations, call 561-7720 or book online at www.ecommul.com.

SEA TALK SERIES: "DEEP SEAMOUNTS FROM NEW JEADAND TO HAWAII" AT THE MAU! OCEAN SENTER continues on Tuesday, January 17, at 6pm with "Deep Seamounts from New Zealand to Hawaii: Submersible Video of Active Volcanoes and Gerdens of Life Thousands of Feet Deep" by Dr. Christopher Kelley and Terry Kerby, the respective program biologist

and chief submersible/pilot from the Hawaii Undersea Research Laboratory (HURL). This presentation will take guests on an odyssey of discovery conducted through the last few years in bishalls own submersibles, the Piaces IV and the Piaces V.



completely unexplored. What could they loc like? What strange, exotic animals live of them? During the first half of this Sea Tall guests will be able to witness the active volcanics of new seamounts still under formation between New Zealand up to American Samo

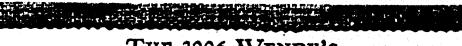
Video taken from the deep-sea submersible captures the creatures that thrive in the superheated, chemical-rich water spewing out from their hydrotherms, vents. The second half the presentation explores the older, dorman seamounts in our own backyard: The Northwestern Hawaiian Islands. Strange looking sharks and incredible coral and spong gardens will be revealed; their existence we completely unknown until having been visite in 2003.

About the speakers. Terry Kerby has been the chief submersible pilot for HURL since 198 and has completed hundreds of dives arounthe Hawaiian Islands and in the central Pacific Kerby has also assisted with the production comovies such as "Abyas," providing technical

continued on next page..



Ashicy Stepanch halds a mountain butterfly in the Butterfly Puvilion Photo by Loni Stor.



THE 2006 WENDY'S
CHAMPIONS SKINS GAME



New Tour! Ambling Around Kapila Ginger Gardens

Brownience the Magic of "Hike Little Hana," as Lovingly Called by Visitors

Ashley Stepanek helps show just how big the tare-like

plant is behind her at Kapila Ginger Gardens.

It's a fifteen-minute drive from Paia Town to the palatial expanse of Lant Stark Kapila Ginger Gardens. A tropical paradise comparable to that of Hana without the 50 bridges and 600 turns—hence the nick-

name "Hike Little Hana"—this eight-acre private estate is the perfect destination to visit for a morning garden tour with ginger snacks. It feels like you are further away than you are!

Located across the street from Twin Falls, it is actually comprised of many types of garden sec-

tions and minor walk-hikes, and other features like a cascading waterfall with expansive pool and a running stream, a hidden fern cave, exotic singing gardens with a mele hale (singing house), the royal halo lo't (taro terraces) of King David Kalakana and the Butterfly Pavilion. It's an all-in-one botanical experience for anyone wanting to see the raw beauty of Hawaii, and an opportunity to meet the owner and/or her trained guides who can share stories about the history, culture and meaning of the place.

We are greeted by Lani at the guest parking lot just down to the left of 'Ulalersa Loop, and immediately she has captivated us with her airy, fresh approach to this project and her ideals and hopes for happiness for herself and others in life on the grander scale. She describes her bohemian, artistic upbringing in Dahu-her mother was a gourmet chef and ter father was an architect—and shares the memory of her family farming taro together at he lunar cycle on Kausi, playing music and singing, all to get back to nature. "We would get lost in the mountains and feel the orchestra of the forest, tuning into the melodic life here, one that parallels no other," says Lani. "I wanted to share this feeling of Hawaii with others."

Of Hawaiian descent and currently living on viaui, it seems only right for her to "submit," if you will, her lush, tropical rainforest to the world of ag and eco-tourism. Lant also makes tiun, calling on her creativity and life experiences to perpetuate the process: She is a

trained gourmet chef, a world-class musician and vocal trainer (she plays the flute and percussion, sings, and trained Camile Velasco, one of Hawaiis favorite American Idol contestants), she ran a spa retreat and wellness center

on the Big Island, and seems quite knowledgeable about the botany of her own property Lant also has a wealth of information in her head about ginger and its invigorating, refreshing qualities as the "emperor of the herb world."

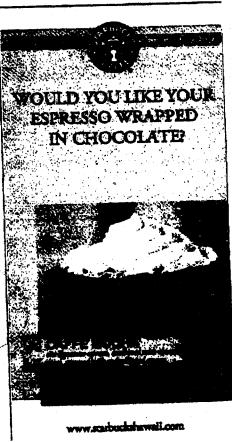
"Ginger has been shown to generally revitalize and invigorate it has more antioxidants

people," she shares. "It has more antioxidants than any other plant known to man. It can purify you, helps with longevity, and eliminates free-radicals. And, the whole plant can be used for edible, medicinal and ornamental purposes."

We walk around the property as Lani tells us about her larger vision for the gardens and the company, describing a spa and retreat center, educational learning center, and running through a list of culinary products and bath and bodyline items; she hands me a ginger bar of soap as a gift. Thousands of types of ginger grow on her property, and much of it harvested for consumptive use. Looking around the tall, forest canopy some 100-ft, high (it's really impressive!) she points out lillkoi, green guava, a rose apple tree, shell ginger, sandal wood, 50year-old macadamia nut and 'ahi'a trees, koa, ti leaf plants, and hapu'u tree ferns, to name a few, it is ALL there for you to see, touch, apprecince and remember. You have to visit to beheve it's a remarkable cross-section of species.

Tours are offered daily at 9am and 10:30am, and the cost for each per person is \$75. The Hike Little Hana Tour runs from 9 to \$60:30am and includes ginger fruit salad and a ginger pastry; the Kapila Ginger Garden Tourgoes from 10:30am to 12noon and includes ginger chicken salad, ginger rolls, and the ginger pastry; both also include ginger loed tea and bottled water. Hiking boots and swimsuits with towels are recommended. Call 878-8888.





A Exotic Botanical Gardens on Maui's Famed Hana Highway!

TARGET: DEVELOP KAPILA GARDENS INTO A TRANSFORMATIONAL BOTANICAL GARDENS FOR MAUI TOURISTS AND COMMUNITY

Kapila Gardens, a full use 8 acre property on Maui's Hana Hwy, is the site for a proposed multipurpose tourist attraction. Located 15 minutes south from Maui's Kahului Airport, Kapila Gardens is a unique botanical gardens with towering 100 foot high mango trees, rare plants, Hana Highway's first waterfall and designated as an ancient historical sight. Planned activities include:

- * Nature hikes and waterfall access for admission fee
- Healing Time Garden with Hawaiian herbs
- Wedding Bit at waterfall
- Butterfly Arboretum open to hikers
- Butterfly sales for weddings
- * Ancient Hawaiian Historical Sight Designated by Historical Society
- Gift shop featuring private labeled products with a "White Ginger Flower" theme
- Web site for flower and product sales
- Community outreach for Hawaii's youth, children and seniors.

Future expansion possibilities to Kapila Gardens include: Hawaiian Cultural Museum, Healing Retreat Center and Spa, Amphitheater for music and Hawaiian "talk story" events:

TIMELINE: 3 months to opening for Phase I

FINANCIAL: Phase I is budgeted to cost \$100,000.00 and expected to generate minimum revenues of \$612,000.00 with a profit of \$392,000.00 for the first year. Second year revenues are projected at \$852,000.00 and a profit of \$592,300.00.

PHASE I costs include: Landscape Master Plan, Parking Lot and Toll Booth, Entrance and Interior Landscape, Trail Upgrade, Wedding Gazebo, Butterfly Arboretum, Signage, Marketing & Advertising, Onsight Management, LLC formation and Investor Agreement Drafts.

STATUS: Kapila Gardens is two thirds complete with existing waterfall, nature trails and exotic Hawaiian trees & plants. Graphic design for logo and corporate image are 50% completed.

ACTION: Create parking lot and toll booth, landscape entrance, rock trails, install plant ID signs, build wedding Bio, market promo rate cards and print advertising

CONTACT: Lani Star, PHN: 808-280-8119, Bruce BecVar, PHN:970-901-8724



Hand held sign at Hana Highway and Ulalena Loop Road observed in March, 2006



Sign at entrance to Ulalena Loop Road along Hana Highway



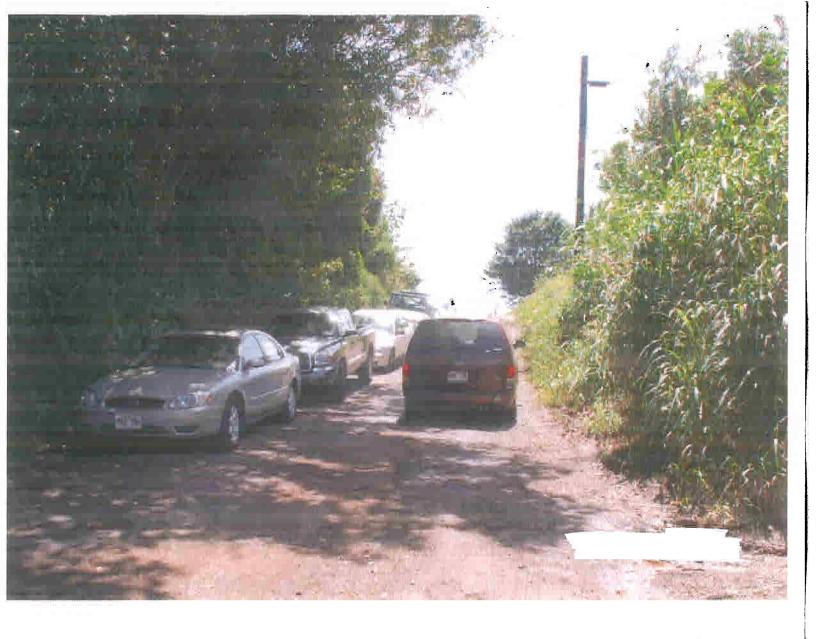
Sign located along Ulalena Loop Road directing traffic to State lands at TMK: (2) 2-9-3:20 por.



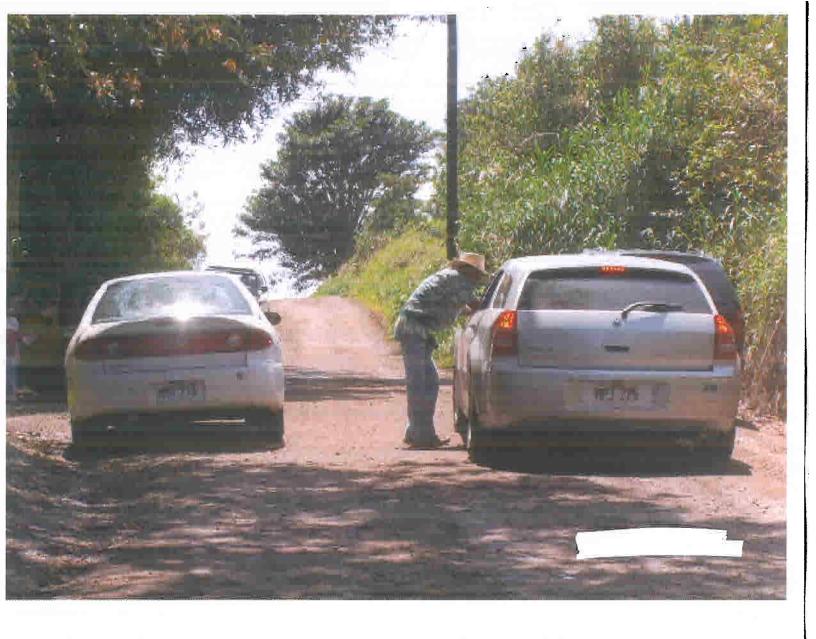
Sign at entrance to Easement A on State lands along Ulalena Loop Road



Signs on State land along Easement A directing traffic toward Easement B



Traffic congestion on Ulalena Loop Road caused by overflow visitors to Kapila Ginger Gardens



Toll booth attendant collecting fees from visitors to Kapila Ginger Gardens on Ulalena Loop Road. Note the apron around his waist used to collect money and return change.



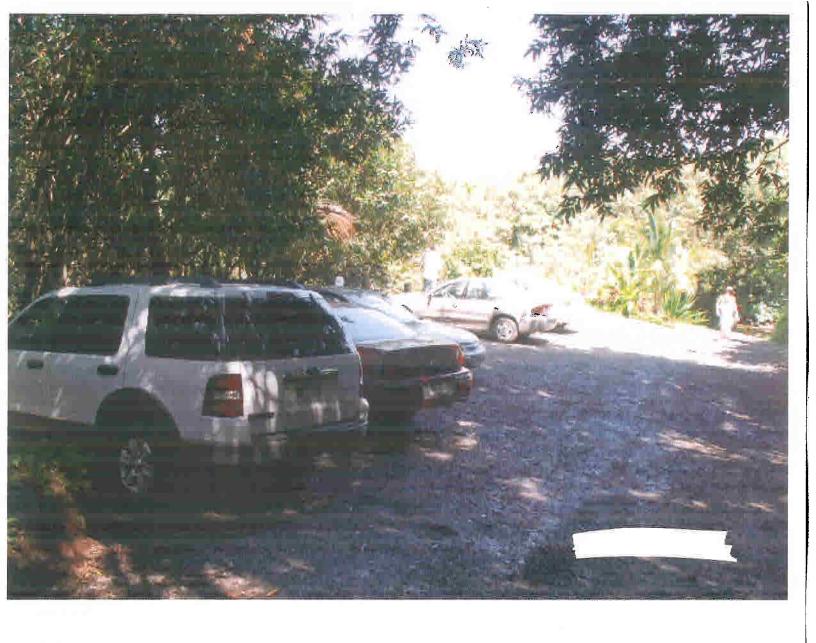
Ms. Lani Stark collecting fees from tourist visiting Kapila Ginger Garden



Ms. Lani Stark directing traffic to Kapila Ginger Garden on Ulalena Loop Road



Parking lot attendant on Easement A



Parking lot along Easement A to access Kapila Ginger Garden



Officer Randy DeCambra questions Ms. Lani Stark and Mr. Robert Williams regarding unauthorized grading and grubbing of State lands and Ulalena Loop Road



Backhoe operated by Mr. Robert Williams to grade and grub State lands and Ulalena Loop Road



Backfill area along Ulalena Loop Road adjacent to State lands



Backfill area on State lands with no erosion control measures



Officer Randy DeCambra speaking with State tenant Lafayette Young regarding unauthorized grading and grubbing on encumbered State land



Port-a-Potty on State land adjacent to parking lot and Easement A



Toll booth on State land along Blalena Loop Road at entrance into Easement A



Signage describing activities in Kapila Ginger Gardens along Easement A



Signage and barrier to conceal electrical equipment on State land. Electrical equipment not up to County standards

ALAN M. ARAKAWA Mayor

MILTON M. ARAKAWA, A.I.C.P. Director

MICHAEL M. MIYAMOTO Deputy Director



COUNTY OF MAUI DEPARTMENT OF PUBLIC WORKS AND ENVIRONMENTAL MANAGEMENT

DEVELOPMENT SERVICES ADMINISTRATION

250 SOUTH HIGH STREET WAILUKU, MAUI, HAWAII 96793 November 29, 2005

Mr. Laf Young HC 1, Box 42 Haiku, HI 96708

SUBJECT ELECTRICAL SERVICE AT ULALENA LOOP TMK (2) 2-9-003:

Dear Mr. Young:

This letter is in response to your letter dated 4 November 2005 regarding an unsafe electrical service at the Subject property. In response to your earlier letters, Request For Services No. 05-0002299 was created on June 27, 2005 to investigate your concerns. A limited inspection of the property entrance on July 11, 2005, confirmed that electrical wiring was installed along the ground creating an unsafe condition. Further investigation within the property was prohibited due to the posting of no trespassing signs. Warning letters were sent to the Property Owner, Ms. Lani Stark advising her that she had until January 7, 2006 to resolve the violation. If this violation is not resolved by this date, then a Notice of Violation including monetary fines will be issued to Ms. Stark. If the violation continues to remains unresolved, then the violation will be forwarded to the Department of Corporation Counsel for enforcement.

Regarding the activities taking place within the property, due to the foliage and trespassing signs, we are unable to investigate and confirm these allegations without Ms. Stark's approval to access her property. If these activities are visible from your leased property, please provide us with a contact phone number so the investigating inspectors can make arrangement to meet you at your property.

If you have any questions regarding this letter, please call me at 270-7255.

Sincerely,

GREGA. NAKAO Electrical Engineer

GAN S:\LUCA\ALL\ELECT\GAN\LETTERS\LafYoung.UnsafeElecSvc.wpd

EXHIBIT " = "

RALPH M. NAGAMINE, L.S., P.E.

Development Services Administration

TRACY TAKAMINE, P.E.

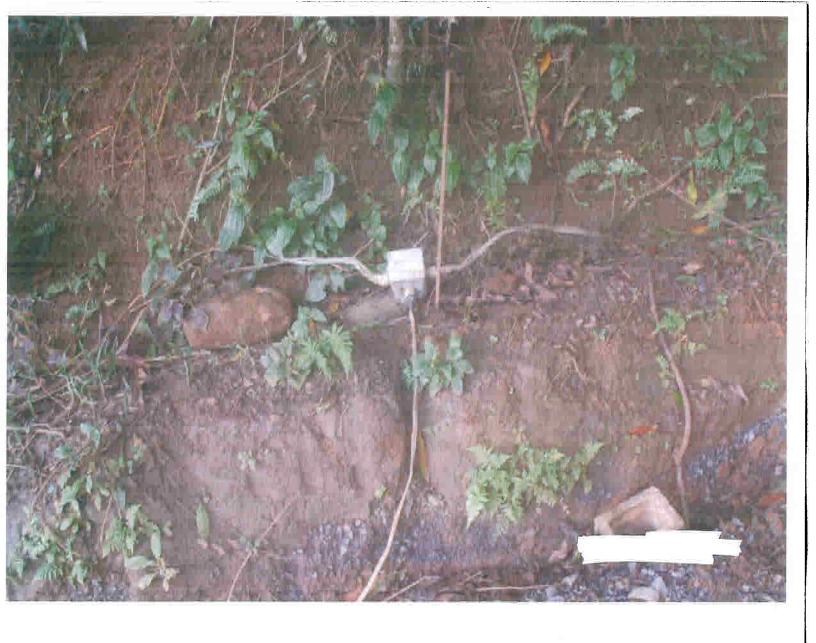
Wastewater Reclamation Division

CARY YAMASHITA, P.E.

Engineering Division
BRIAN HASHIRO, P.E.

Highways Division

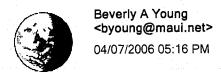
Solid Waste Division



Above ground electrical box and wires not built to County standards along Easement A



Storage box on State land along Easement A



To Ann Bauer <h.ann.es@t-online.de>

cc daniel.l.ornellas@hawaii.gov, dave@ihj-law.com

bcc

Subject progress report



Illegal 120volt water pump hidden on State land to deliver water from the Honopou Stream to her rental units. Exposed electrical wires on the surface and non-waterproof terminations will interest the County electrical inspector on Monday.

Dan: FYI - reganoine, Last Stark!

12 September 2005

2015 SEP 15 PH 12: 12

Lani:

It has come to my attention and that of Dan Ornellas, Land Agent for DLNR, that you are still trying to manifest access to the Ralston Pool by encroaching on State land and perhaps the Ralston land.

It is incumbent upon you to demonstrate to me and others the location of your four property pins that separate your land from the State land. Several points-on-line will also be helpful along your longest boundaries.

I advise that you engage a licensed registered surveyor to survey the boundaries so we can all visualize, once and for all, what is your to develop.

The improvements you have undertaken, starting at the widened and landscaped entrance and continuing on to what is clearly a parking area complete with cutoff utility pole framing and landscaping are clearly OUTSIDE of your 15 foot wide access easement.

Your continuing improvements to the Doug Faulkner originated road (built without my or DLNR's approval) to the lower portion of what I hold to be State Land is in violation of my Revocable Permit and County building standards.

Improving land that does not belong to you, without grading permits or permission of any kind is actionable and I am prepared to bring suit against you real soon. To forestall this action you must complete the survey work and demonstrate to me, the State and Ann Ralston's attorney that you are operating well within your boundaries and rights as a landowner.

Cease and desist the improvements approaching the pool and any further improvements to State land outside of your 15 foot wide access easement.

Get the utility and phone lines off of the surface and brought up to State and County of Maui-standards.

And please, no more gifts and homilies to living cooperatively as good neighbors.

Keep the slogan that "good fences make good neighbors" as your daily mantra unless you want to defend your actions in Second Circuit Court.

Lafayette Young

Revocable Pernit Holder: RP-5232

HC 1, Box 42 Haiku, HI 96708

cc: D. Ornellas, A. Ralston-Bauer, D. Jorgensen

EXHIBIT " G."

3 April, 2006



2006 APR -3 PM 1:54

Lani Stark 1135 Makawao Ave. Unit 108 Makawao, HI 96768

One more time;

Cease and desist trespass for private or commercial reasons over the State Land I hold under lease immediately. TMK 2-2-9-03:17. Remove any and all improvements, i.e. toilet, tents, storage lockers and signs that you cannot prove, without a doubt, are on your land. Confine your ingress and egress to State Land that you have under Revocable Permit.

Lafayette Young

HC 1, Box 42 Haiku, HI 96708

Cc: D. Ornellas, DLNR

LAND DIVISION

2145 WELLS ST. STE. 204 WELLS STREET PROFESSIONAL CENTER WAILUKU, MAUI, HI 96793-2222 (808) 242-4555 • FAX (808) 244-6964 dave@ihj-law.com

†A Law Corporation Also Admitted in Oregon

TIAW OF FICES OF

ING, HORIKAWA, JORGENSEN & STEWART

a Limited Liability Law Partnership

March 13, 2006

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND REGULAR MAIL

LANI STARK 120 Hana Highway #9-109 Paia, Maui, Hawaii 96779

Re: TMK (2) 2-9-003-014;

Ann R. Bauer Honopou Property

Dear Ms. Stark:

This office represents Ann R. Bauer, the owner of the real property located on Hana Highway in Honopou, identified as Tax Map Key No. (2) 2-9-003-014.

Ms. Bauer has for some time been communicating with you, directly and through various agents, about her objections to your use of her land for commercial activities you are running from your nearby property. In fact, I understand you had previously requested permission from Ms. Bauer to engage in such activities and your request was denied. Despite her strong objections and her denial of your request, we have been informed that you continue to enter on to her property and conduct tours of her land.

You are hereby formally advised that you do not have permission from Ms. Bauer to enter onto or use her land for any purpose and that you are specifically prohibited from conducting any commercial activities on her property. In the event you continue to use her property for commercial or any other purpose without her express written permission, you will be considered a trespasser and Ms. Bauer will pursue all appropriate action against you.

You are also hereby advised that you will be held personally accountable for any damages you have caused to my client's property. For example, I've been informed that you have cut into hills, removed soil, and dumped a lot of dirt and other materials into gulches. My client will expect you to restore all areas of her property to their original condition, including removing any debris from gulches where you have thrown it.

For your information, I have already reviewed prior correspondence between you and Ms. Bauer concerning your belief that you are entitled to use her land. Contrary to your assertions, it is clear from the relevant documents that no permission was ever properly granted to you to use the property.

LANI STARK
Page 2
March 13, 2006

Your immediate attention to this matter is expected.

Sincerely

DAVID M. JORGENSEN
Data/ Dave/Letters/Bauer/Lani Stark (03-13-06)





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES LAND DIVISION

54 High Street, Room 101 Wailuku, Hawaii 96793 PHONE: (808) 984-8103 FAX: (808) 984-8111 PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA DEPUTY DIRECTOR - LAND

DEAN NAKANO ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
CUMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CUNSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE SLAND RESERVATION
LAND
STATE PARKS

NOTICE TO VACATE

TO WHOM IT MAY CONCERN:

THIS IS TO INFORM YOU that the lands situate at Tax Map Key: (2) 2-9-003:020 are owned by the State of Hawaii.

ANYONE placing any structures to include, but no limited to, a dwelling, lean-to, tent, campsite, vehicles, equipment or materials; anyone occupying, camping and/or residing on said lands, without the written authorization of the Board of Land and Natural Resources, State of Hawaii, is encroaching upon public lands in violation of Chapter 171-6, Hawaii Revised Statutes, and shall be subject to a fine of up to \$500.00 per day, plus charges for administrative costs incurred by the Department of Land and Natural Resources, State of Hawaii, and for payment of damages.

NOTICE TO VACATE is hereby given to all persons occupying, camping and/or residing on said lands and that you must vacate said lands and remove all structures, vehicles, and personal belongings placed thereon.

ANY AND ALL PERSONS FOUND OCCUPYING, CAMPING AND/OR RESIDING ON SAID LANDS AFTER 12:00 P.M., MARCH 30, 2006, SHALL BE SUBJECT TO A FINE OF UP TO \$500.00 PER DAY PLUS ADMINISTRATIVE COSTS FOR VIOLATION OF THE PROVISIONS OF CHAPTER 171-6, HAWAII REVISED STATUTES, AND FOR PAYMENT OF DAMAGES.

FURTHER, ANY AND ALL FIXTURES, EQUIPMENT, STRUCTURES, VEHICLES, AND PERSONAL BELONGINGS PLACED, MAINTAINED, AND/OR FOUND ON SAID LANDS AFTER 12:00 P.M., MARCH 30, 2006, SHALL BE CONSIDERED ABANDONED AND SHALL BE DISPOSED BY THE STATE OF HAWAII AT THE FORMER OWNER'S COST AND EXPENSE.

DATED: Maui, Hawaii, 30th day of March, 2006.

DANIEL ORNELLAS, District Land Agent Department of Land and Natural Resources